

against cwt. is undisturbed. It is when money has to be paid in exchange for commodities that the modified effect is directly experienced.

It is usual in these questions to speak of the *appreciation* of gold or an increase in its purchasing-power, or command, over commodities, where a greater quantity of goods requires to be given for the same amount of gold than before; and the *depreciation* of gold, or a diminution of this command, where a smaller quantity of commodities is procurable for the same quantity of gold. The more appropriate expression, however, to be employed when we are referring to money of any description would be, in respect of appreciation, that there is a rise in the purchasing-power of gold (or money) measured by wheat, copper, or a certain group of commodities so arranged that an average is presented.

If in any survey, accordingly, it be ascertained, for example, that it is gold (or the standard) which has depreciated in value, various social and economic consequences ensue. All contracts expressed in gold benefit the debtor at the expense of the creditor; for the former obtains the requisite supply of gold at a less expenditure of commodities and services, while the latter acquires with the amount a reduced quantity of commodities and the necessaries of life than before. British fundholders (the amount of their property being fixed in money) suffer for, the preceding reason; so do stockholders, annuitants, owners of Debenture stocks and Preference shares bearing a fixed rate of interest; mortgagees of properties; depositors in Banks; officers and men in the Army and Navy; pensioners, and many others. The relation of a depreciated value in the standard to the amount and annual charge of our National Debt can be readily observed. Since a specified amount of gold, in this condition, is exchangeable for a reduced quantity of goods and services than before, the capital of the Debt and its yearly burden for interest are implicitly diminished in pressure in the ratio of the fall of money—when expressed, that is to say, in terms of commodities. The annual demand for

the discharge of its interest is thus abated in consequence of the lessened supply of the products of industry which the satisfaction of that demand exacts, and in this undesigned remission all the